**PATENT** 

# **REMARKS/ARGUMENTS**

Claims 1-5, 11, 13-17, 19-21, 23 and 24 are pending. The applicant has canceled Claims 12 and 22. Claims 6-10 and 18 have previously been canceled. The Office has rejected Claims 1-5, 11, 13-17, 19-21, 23 and 24. Applicant has amended Claims 1, 13, and 23. Applicants respectfully request reconsideration of the application in view of the amendments and remarks made herein.

Claims 1, 2, 4, 5, 11, 13 – 15, 17, 19 – 21, 23 and 24 stand rejected under 35 U.S.C. §103(a) as unpatentable over U.S. Pat. App. Publ. No. 2002/0069166 ("Moreau") in view of U.S. Pat. App. Publ. No. 2001/0037290 ("Lai"). Claims 3 and 16 stand rejected under 35 U.S.C. §103(a) as unpatentable over Moreau in view of Lai, and further in view of U.S. Pat. App. Publ. No. 2002/0087461 ("Ganesan").

# Claims 1, 13 and 23 - Moreau in view of Lai

Independent Claims 1, 13 and 23 stand rejected over Moreau in view of Lai. The applicant has amended each of these claims. Specifically, Claim 1 has been amended to recite "determining, by the provider computer, a shipment of the goods from the second country to the first country as part of an aggregate shipment, wherein the aggregate shipment contains goods associated with a plurality of sales of goods." Support for this amendment can be found throughout the specification and particularly at paragraphs 40 and 27.

Claim 1 now recites a comprehensive arrangement which allows for secure, non-credit payment for goods purchased in international sales and encourages such sales through escrowing of purchase funds and reduction of international shipping costs. Traditionally, in addition to there being a risk of non-payment or non-shipment in an international sale of goods, shipment costs could be prohibitive to the transaction. At a minimum, high shipment costs of small volumes of goods could make such transactions less attractive to potential customers, thereby reducing sales to merchants. Additionally, parties to such transactions, especially

**PATENT** 

buyers, had the additional concern of security should their credit payment information be intercepted in a more complicated international Internet transaction.

The present amendment provides a solution, not previously realized in the art, to all of these problems. First, the method provides a mechanism that avoids the need for a customer interacting internationally with an Internet merchant to supply sensitive financial information through means that are especially susceptible to interception. This provides additional security for the buyer. Second, the method provides a mechanism for insuring that payment is secured before goods are shipped, and that goods are shipped before payment is delivered. This provides further security and confidence to both buyer and seller. Third, the method provides a mechanism that mitigates shipping costs by including the shipment as part of an international shipment. The decreased shipping costs provided by this arrangement: (1) encourages sales of all magnitudes, and especially (2) allows small sales of goods to be economically feasible.

Limitations in dependent Claims 12 and 22 (now canceled) disclosing aggregate shipment were rejected by the Office as being unpatentable over Moreau in view of Lai and further in view of the Office taking official notice that aggregating goods for shipment is well known in the art. To the extent the taking of Official Notice might apply to amended Claims 1, 13 and 23, such taking of Official Notice is respectfully traversed and a documentary showing of such knowledge in the art is requested. MPEP 2144.03.

However, Applicants respectfully disagree with the general suggestion in the Office Action that it would be obvious to integrate aggregate shipment with an arrangement having the other elements recited in the claims, especially in light of the amendment which limits the claims to international arrangements. The present arrangement described by the claims advantageously provides security, feasibility, and economy for international transactions. These advantages are not a consequence of the individual elements of the claims, but of the novel and complete arrangement of the elements into a comprehensive method.

In this context, it is respectfully believed that the Office Action has not articulated a sufficient motivation for combining the various elements as required by MPEP 2143. Even if

PATENT

each element of the claims is known in the art, there must be a motivation, either in the references themselves or in the knowledge generally available to those of skill in art, to combine the elements. MPEP 2143. The unique combination of elements in the claims that create the advantages discussed embrace the novel features of the invention. Instead, it appears that the Office Action has engaged in impermissible hindsight reconstruction of the invention by focusing on the claim elements in isolation rather than recognizing the benefits afforded by their combination. "One cannot use hindsight reconstruction to pick and choose among isolated disclosures in the prior art to depreciate the claimed invention." In re Fine, 837 F.2d 1071, 1074, 5 USPQ2d 1596, 1600 (Fed. Cir. 1988). See also In re Fritch, 972 F.2d 1260, 1265, 23 USPQ2d 1780, 1784 (Fed. Cir. 1992).

Independent Claims 13 and 23 have been amended in a similar fashion to independent Claim 1 and are therefore also believed to be allowable for at least the same reasons.

# Claims 3 and 16 - Moreu in view of Lai, and further in view of Ganesan

Dependent Claims 3 and 16 stand rejected over Moreau in view of Lai, and further in view of Ganesan. Applicant respectfully traverses these rejections because the cited portions of Moreau, Lai and Ganesan do not teach the limitations of "collection of at least a portion of the cost" and "collection of a remainder of the cost[.]" Indeed, Applicant cannot locate any portion of Moreau, Lai or Ganesan that discloses these limitations. Instead, Moreau, Lai and Ganesan disclose only a singular collection of the *entire* cost of a given transaction. For at least this reason, Claims 3 and 16 are believed to be patentable over the cited art.

# Claims 2-5, 11, 14-17, 19-21 and 24

Claims 2-5, 11, 14-17, 19-21 and 24 are also believed to be allowable over the cited references at least because they depend from allowable base claims.

**PATENT** 

#### **CONCLUSION**

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,

Patrick M. Boucher Reg. No. 44,037

TOWNSEND and TOWNSEND and CREW LLP Two Embarcadero Center, Eighth Floor San Francisco, California 94111-3834

Tel: 303-571-4000 Fax: 415-576-0300 PMB:MTS:cmb

60669866 v1